

MAY 12 1964

# 1963 Annual Report



**CANADIAN WILLISTON MINERALS LTD.**

63.4% owned By GRIDOIL FREEHOLD LEASES LTD







## CANADIAN WILLISTON MINERALS LTD.

### AUTHORIZED

PAR VALUE 6¢ PER SHARE ..... 6,000,000 SHARES

ISSUED ..... 3,965,000 SHARES

### CAPITALIZATION

ERIC CONNELLY ..... *Calgary, Alberta*

WILLIAM L. JAMES ..... *Calgary, Alberta*

ARTHUR R. MORISON ..... *Calgary, Alberta*

CARL O. NICKLE ..... *Calgary, Alberta*

S. C. NICKLE, SR. .... *Calgary, Alberta*

SAM C. NICKLE ..... *Calgary, Alberta*

### DIRECTORS

S. C. NICKLE, SR. .... *President*

SAM C. NICKLE ..... *Vice-President*

ARTHUR R. MORISON ..... *Treasurer*

WILLIAM L. JAMES ..... *Secretary*

### OFFICERS

### CANADA

PRUDENTIAL TRUST COMPANY LIMITED  
TORONTO, MONTREAL AND CALGARY

### TRANSFER AGENTS AND REGISTRARS

### U.S.A.

UNITED STATES TRUST COMPANY OF NEW YORK  
NEW YORK, N.Y.

BANK OF MONTREAL

### BANKERS

PRICE WATERHOUSE & Co.

### AUDITORS



## CANADIAN WILLISTON MINERALS LTD.

### REPORT TO THE SHAREHOLDERS

#### Operations

The Company supported with acreage contributions seventeen test wells drilled on Company properties during 1963. The wells successfully placed on production amounted to 11 oil wells. The Company retained a gross royalty of 8.75% to 11.25% on all production obtained from these properties.

#### Royalty

The Company is now receiving royalty income varying from 3.125% to 14.25% from over 90 producing oilwells. Royalty income for 1963 increased by 37% to \$144,729 from the previous year's total of \$105,363.

#### Financial

Gross income was \$222,591 including sale of mineral rights for \$47,943 in areas outside the area of petroleum and natural gas interests, together with royalty income of \$22,764 applicable to prior years. Operating expenses were reduced by \$11,044 compared to 1962.

A reduction of \$116,395 was made in the amount due the parent, Gridoil Freehold Leases Ltd. Early in 1964 the Company obtained bank loans sufficient to pay the balance due the parent company.

#### New Directors

At the Annual General Meeting of Shareholders of the Company held on April 30, 1963, Mr. Arthur R. Morison, C.A., and Mr. William L. James, BA. LL.B., associated with the Company since 1956, were elected Directors of the Company. Mr. Morison and Mr. James form welcome additions to the Board of Directors of Canadian Williston Minerals Ltd.

On behalf of the Board.

S. C. NICKLE,  
President.

April 20, 1964.

*ANNUAL MEETING — The Annual General Meeting of the Shareholders will be held at the Head Office of the Company, 330 - 9th Avenue South West, Calgary, Alberta on May 27, 1964.*



## AUDITORS' REPORT

To the Shareholders of

**CANADIAN WILLISTON MINERALS LTD.**

We have examined the balance sheet of Canadian Williston Minerals Ltd. at December 31, 1963 and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As explained in Note 2, all expenses less income have been deferred; the company is deemed to have realized no profit or sustained no loss and therefore no profit and loss statement is submitted.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet, and the notes thereto, are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company as at December 31, 1963, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PRICE WATERHOUSE & CO.

**Chartered Accountants**

Calgary, Alberta  
March 15, 1964

## BALANCE SHEET AT

(with comparative

## ASSETS

	1963	1962
<b>CURRENT ASSETS</b>		
Cash .....	\$ 19,661	\$ 5,278
Accounts receivable .....	46,602	30,564
Deposits at land registry offices .....	1,462	2,286
	<u>67,725</u>	<u>38,128</u>
<b>AMOUNT RECOVERABLE FROM FUTURE ROYALTY INCOME</b> .....	60,340	75,401
<b>CAPITAL ASSETS</b>		
Mineral interests in approximately 1,400,000 acres of undeveloped freehold properties acquired in consideration for the issue of 3,861,000 shares of the company's capital (Note 1) .....	3,050,000	3,050,000
<b>DEFERRED EXPENSES (Note 2)</b>		
Title registration costs .....	195,193	192,654
General and administrative expenses less income to date .....	265,814	391,630
Organization and financing expenses .....	14,497	14,497
	<u>475,504</u>	<u>598,781</u>
	<u>\$3,653,569</u>	<u>\$3,762,310</u>

The Auditors' Report is a

**ON MINERALS LTD.**

**DECEMBER 31, 1963**

(figures for 1962)

**LIABILITIES**

	<u>1963</u>	<u>1962</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable .....	\$ 1,005	\$ 1,500
Due to parent company, Gridoil Freehold Leases Ltd. (Note 4) .....	356,915	473,310
Mineral taxes .....	10,649	2,500
	<u>368,569</u>	<u>477,310</u>
 <b>SHAREHOLDERS' OWNERSHIP</b>		
Share capital —		
Authorized — 6,000,000 shares of a par value of 6 cents each		
Issued — 3,965,000 shares .....	237,900	237,900
Capital in excess of par value .....	3,047,100	3,047,100
	<u>3,285,000</u>	<u>3,285,000</u>

**Signed on behalf of the Board,**

S. C. NICKLE, SR., Director

SAM C. NICKLE, Director

<u>\$3,653,569</u>	<u>\$3,762,310</u>
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ched to this Balance Sheet



# CANADIAN WILLISTON MINERALS LTD.

## NOTES TO BALANCE SHEET

1. The amount of \$3,050,000 assigned to interests in minerals and lease options represents the approximate cost to the vendors of the interests and options.
2. Only a small portion of the properties of the company has been developed and it is considered that the company has not reached an operating stage. Accordingly all expenses, less income, have been deferred and no profit and loss statement is submitted. Particulars of deferred expenses as at December 31, 1963 are summarized hereunder:

	Total to December 31, 1962	Year ended December 31, 1963	Total to December 31, 1963
Title Registration Costs:			
Cost of liaison with mineral owners .....	\$134,874	\$ —	\$ 134,874
Registration of transfers .....	57,780	2,539	60,319
	<u>192,654</u>	<u>2,539</u>	<u>195,193</u>
General and Administrative Expenses, less income to date:			
Land department expenses and administrative fees .....	526,815	48,686	575,501
Interest on advances from parent company .....	148,744	24,346	173,090
Legal and audit fees .....	110,520	7,072	117,592
Transfer agent expenses .....	68,860	6,558	75,418
Mineral taxes .....	90,301	6,865	97,166
Lease rentals .....	8,684	(430)	8,254
General expenses .....	38,519	3,678	42,197
	<u>992,443</u>	<u>96,775</u>	<u>1,089,218</u>
Less —			
Royalty income .....	464,220	144,729	608,949
Royalty income applicable to prior years (Note 3) .....	—	22,764	22,764
Interest earned .....	32,295	2,481	34,776
Sale of mineral interests .....	104,298	47,943	152,241
Other income .....	—	4,674	4,674
	<u>600,813</u>	<u>222,591</u>	<u>823,404</u>
	<u>391,630</u>	<u>(125,816)</u>	<u>265,814</u>
Organization and Finance Expenses .....	14,497	—	14,497
	<u>\$598,781</u>	<u>(\$123,277)</u>	<u>\$ 475,504</u>

3. In 1963 the Appeal Court of Saskatchewan brought down a judgment in favour of the Company involving royalty income of \$85,466 of which \$64,009 was applicable to 1962 and prior years. This judgment confirmed a previous decision of the Trial Court. However Notice of Appeal to the Supreme Court of Canada has been given and, pending the final disposition of such appeal, this amount has been excluded from the accounts.

In 1963 the Company settled litigation involving royalty income of \$28,562 of which \$22,764 was applicable to 1962 and prior years. This amount has been recorded in the accounts.

4. Subsequent to 1963 the Company obtained a bank loan of \$350,000 payable in six annual instalments. The proceeds were used to pay the amount owing to the parent company.















1963 Annual Report, Canadian Williston Minerals Ltd.